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Agenda item 129

Financing of the United Nations Angola Verification Mission and the United Nations Observer Mission in Angola

Report of the Fifth Committee

Rapporteur: Mr. Jan **Jaremczuk** (Poland)

I. Introduction

1. At its 3rd plenary meeting, on 17 September 1999, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-fourth session the item entitled "Financing of the United Nations Angola Verification Mission and the United Nations Observer Mission in Angola" and to allocate it to the Fifth Committee.

2. The Fifth Committee, at its 3rd, 6th and 7th meetings, on 4, 5 and 15 October 1999, considered the aspect relating to the question of the status of implementation of measures taken or initiated to address appropriately the issues, observations and recommendations contained in the report of the Office of Internal Oversight Services (A/52/881, annex) and other related actions taken by the United Nations Angola Verification Mission and the Secretariat. Statements and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/54/SR.3, 6 and 7).

3. For its consideration of the question, the Committee had before it the report of the Secretary-General on the findings, observations and recommendations contained in the report of the Office of Internal Oversight Services on the audits of the procurement process in the United Nations Angola Verification Mission (A/53/1018). The related report of the Advisory Committee on Administrative and Budgetary Questions was introduced orally to the Committee.

99-31813 (E) 271099

II. Consideration of draft resolution A/C.5/54/L.10

4. At the 7th meeting, on 15 October, the representative of Panama, Vice-Chairman of the Committee and coordinator of informal consultations on this question, introduced a draft resolution entitled "Financing of the United Nations Angola Verification Mission and the United Nations Observer Mission in Angola" (A/C.5/54/L.10).

5 At the same meeting the Committee adopted draft resolution A/C.5/54/L.10 without a vote (see para. 6).

III. Recommendation of the Fifth Committee

6. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

Financing of the United Nations Angola Verification Mission and the United Nations Observer Mission in Angola

The General Assembly,

Recalling its resolutions 52/8 A of 31 October 1997, 52/8 C of 26 June 1998, 53/211 of 18 December 1998 and 53/228 of 8 June 1999,

Regretting the delay in the submission of the report of the Secretary-General requested in the aforementioned resolutions,

1. *Takes note* of the report of the Secretary-General on the findings, observations and recommendations contained in the report of the Office of Internal Oversight Services on the audits of the procurement process in the United Nations Angola Verification Mission;[1]

2. *Notes with concern* that one of the recommendations of the Office of Internal Oversight Services was based on incomplete information provided to the Office;

3. *Requests* the Secretary-General to continue to examine carefully the internal audit recommendations before taking remedial action;

4. *Expresses concern* over the lack of a consistent policy for the implementation of audit recommendations on cases of fraud and financial abuse;

5. *Requests* the Secretary-General to ensure that audit recommendations in respect of cases of fraud and financial abuse are implemented in a consistent manner throughout the Secretariat;

6. *Calls* for further efforts to provide proper training and guidance to procurement officers in the field, especially with a view to the expansion of United Nations peacekeeping activities;

7. *Looks forward* to the report of the Secretary-General on the procurement of goods for quartering areas in the United Nations Angola Verification Mission;

8. *Calls upon* the Secretary-General to provide additional information on the measures being taken by the Secretariat to further improve procurement activities in the

[1] A/53/1018.

field and to enhance control and accountability, within the context of the report on management irregularities causing financial losses to the Organization, as requested by the General Assembly in its resolution 53/225 of 8 June 1999, and requests the Secretary-General to submit a report to the General Assembly, prior to the second part of its resumed fifty-fourth session, providing a concrete plan to correct procurement-related problems in peacekeeping operations, which should include the following:

(a) All remedial measures taken to address problems identified with the United Nations Observer Mission in Angola and other peacekeeping operations;

(b) Standardization of the corrective measures that have already been taken for all existing and future peacekeeping operations;

(c) A description of how accountability was pursued in the cases of individuals who were determined to have engaged in fraud, mismanagement or abuse, and how it will be applied in the future.

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Agenda item 169

Financing of the United Nations Mission in East Timor

Report of the Fifth Committee

Rapporteur: Mr. Jan **Jaremczuk** (Poland)

I. Introduction

1. At its 3rd plenary meeting, on 17 September 1999, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-fourth session the item entitled "Financing of the United Nations Mission in East Timor" and to allocate it to the Fifth Committee.

2. The Fifth Committee considered the item at its 4th and 13th meetings, on 4 and 22 October 1999. Statements and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/54/SR.4 and 13).

3. For its consideration of the item, the Committee had before it the report of the Secretary-General on the financing of the United Nations Mission in East Timor (A/54/380) and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/54/406).

II. Consideration of draft resolution A/C.5/54/L.4

4. At the 13th meeting, on 22 October 1999, the representative of Egypt, Vice-Chairman of the Committee and coordinator of informal consultations on this item, introduced a draft resolution entitled "Financing of the United Nations Mission in East Timor" (A/C.5/54/L.4).

5. At the same meeting, the Committee adopted draft resolution A/C.5/54/L.4 without a vote (see para. 7).

6. Following the adoption of the draft resolution, statements in explanation of position were made by the representatives of New Zealand (on behalf of Australia, Canada and New Zealand), Japan and the United States of America (see A/C.5/54/SR.13).

99-31819 (E) 271099

III. Recommendation of the Fifth Committee

7. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

Financing of the United Nations Mission in East Timor

The General Assembly,

Having considered the report of the Secretary-General on financing of the United Nations Mission in East Timor[1] and the related report of the Advisory Committee on Administrative and Budgetary Questions,[2]

Recalling its resolution 53/240 of 29 June 1999, wherein it appropriated an amount of 52,531,100 United States dollars gross for the Mission and decided that the amount to be assessed would be determined after the review of the report which the Secretary-General would submit to the General Assembly at its fifty-fourth session, taking into account voluntary contributions received,

Commending all United Nations missions for their continuing efforts to effectively implement their mandated activities,

Reaffirming the international character of the Organization,

1. *Endorses* the observations and recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions;[2]

2. *Reiterates* that the expenses of the Organization shall be borne by Member States as apportioned by the General Assembly;

3. *Requests* the Secretary-General to ensure that staff in all United Nations missions continue to respect the relevant provisions of the Charter of the United Nations and the Staff Regulations and Rules of the Organization;

4. *Urges* all Member States to make every possible effort to ensure payment of their assessed contributions to the United Nations Mission in East Timor in full and on time;

5. *Emphasizes* that all future and existing missions shall be given equal and non-discriminatory treatment in respect of financial and administrative arrangements;

6. *Also emphasizes* that all missions shall be provided with adequate resources for the effective and efficient discharge of their respective mandates;

7. *Requests* the Secretary-General to take all necessary action to ensure that the Mission in East Timor is administered with a maximum of efficiency and economy;

8. *Encourages* the Secretary-General to continue to take additional measures to ensure the safety and security of all personnel under the auspices of the United Nations participating in the Mission;

9. *Notes* that voluntary contributions to the Trust Fund for the Settlement of the Question of East Timor paid and pledged so far amount to 43,834,700 dollars and in-kind contributions are valued at 3,438,700 dollars;

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[1] A/54/380.

[2] A/54/406.

10. *Expresses its appreciation* to all those Member States that have made voluntary contributions to the Mission;

11. *Decides* to revise the level of appropriation to the Special Account for the United Nations Mission in East Timor for the period 5 May 1999 to 30 September 1999 (phase I) to a total amount of 54,428,400 dollars gross (52,941,100 dollars net);

12. *Decides also* to apportion the amount of 7,155,000 dollars gross (5,667,700 dollars net) among Member States, in accordance with the composition of groups set out in paragraphs 3 and 4 of General Assembly resolution 43/232 of 1 March 1989, as adjusted by the Assembly in its resolutions 44/192 B of 21 December 1989, 45/269 of 27 August 1991, 46/198 A of 20 December 1991, 47/218 A of 23 December 1992, 49/249 A of 20 July 1995, 49/249 B of 14 September 1995, 50/224 of 11 April 1996, 51/218 A to C of 18 December 1996 and 52/230 of 31 March 1998 and its decisions 48/472 A of 23 December 1993 and 50/451 B of 23 December 1995, and taking into account the scale of assessments for the year 1999, as set out in its resolution 52/215 A of 22 December 1997;

13. *Authorizes* the Secretary-General to enter into commitments up to 28,037,100 dollars gross (27,080,700 dollars net), in addition to the commitment authority up to 10,000,000 dollars granted by the Advisory Committee on 9 September 1999, for the requirements of phase II of the Mission, pending the submission of a revised budget by the Secretary-General.

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Fifth Committee
Agenda item 117

Financial reports and audited financial statements, and reports of the Board of Auditors

Report of the Fifth Committee

Rapporteur: Mr. Jan **Jaremczuk** (Poland)

I. Introduction

1. At its 3rd plenary meeting, on 17 September 1999, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-fourth session the item entitled "Financial reports and audited financial statements, and reports of the Board of Auditors" and to allocate it to the Fifth Committee.

2. The Fifth Committee considered the item at its 7th meeting, on 15 October 1999. Statements and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary record (A/C.5/54/SR.7).

3. For its consideration of the item, the Committee had before it the following documents:

(a) Financial report and audited financial statements for the 12-month period from 1 July 1997 to 30 June 1998, and report of the Board of Auditors on United Nations peacekeeping operations;[1]

(b) Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the period ending 30 June 1998 (A/53/932);

(c) Report of the Advisory Committee on Administrative and Budgetary Questions on United Nations peacekeeping operations (A/53/940).

[1] *Official Records of the General Assembly, Fifty-third Session, Supplement No. 5* (A/53/5), vol. II.

99-31825 (E) 271099

II. Consideration of draft resolution A/C.5/54/L.9

4. At the 7th meeting, on 15 October, the representative of Panama, Vice-Chairman of the Committee and coordinator of the informal consultations on the agenda item, introduced a draft resolution entitled "Financial reports and audited financial statements, and reports of the Board of Auditors" (A/C.5/54/L.9).

5. At the same meeting, the Committee adopted draft resolution A/C.5/54/L.9 without a vote (see para. 6).

III. Recommendation of the Fifth Committee

6. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

Financial reports and audited financial statements, and reports of the Board of Auditors

The General Assembly,

Reaffirming its resolutions 50/222 of 11 April 1996, 51/218 E of 17 June 1997 and 52/212 B of 31 March 1998,

Having considered the report of the Board of Auditors on peacekeeping operations,[2] the related report of the Advisory Committee on Administrative and Budgetary Questions[3] and the report of the Secretary-General on the implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the period ending 30 June 1998,[4]

1. *Endorses* the recommendations of the Board of Auditors contained in its report,[1] subject to the provisions of the present resolution;

2. *Decides* to consider the recommendations of the Board of Auditors on contingent-owned equipment and the recommendation contained in paragraph 70 of its report under agenda item 151 (a), "Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations: financing of the United Nations peacekeeping operations".

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[2] *Official Records of the General Assembly, Fifty-third Session, Supplement No. 5* (A/53/5), vol. II.

[3] A/53/940.

[4] A/53/932.

United Nations A/54/507

General Assembly

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Fifty-fourth session
Agenda item 123

Joint Inspection Unit

Report of the Fifth Committee

Rapporteur: Mr. Jan **Jaremczuk** (Poland)

I. Introduction

1. At its 3rd plenary meeting, on 17 September 1999, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-fourth session the item entitled "Joint Inspection Unit" and to allocate it to the Fifth Committee.

2. The Fifth Committee considered the item at its 7th meeting, on 15 October 1999. Statements and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/54/SR.7).

3. For its consideration of the item, the Committee had before it the following documents:

(a) Annual reports of the Joint Inspection Unit for the periods from 1 July 1995 to 30 June 1996[1] and 1 July 1996 to 30 June 1997;[2]

(b) Note by the Secretary-General transmitting the programme of work of the Joint Inspection Unit for 1996-1997, the indicative list for 1997-1998 and beyond and the internal roster (A/51/559 and Corr.1);

(c) Report of the Secretary-General on the implementation of the recommendations of the Joint Inspection Unit (A/52/206);

(d) Note by the Secretary-General transmitting the programme of work of the Joint Inspection Unit for 1997-1998 and the preliminary programme of work for 1998-1999 (A/52/267);

[1] *Official Records of the General Assembly, Fifty-first Session, Supplement No. 34* (A/51/34).

[2] Ibid., *Fifty-second Session, Supplement No. 34* (A/52/34).

99-31831 (E) 271099

(e) Note by the Secretary-General transmitting the note by the Joint Inspection Unit dated 15 July 1998 regarding its decision to revert to the previous January-December cycle for its programme of work and to adjust its annual report to the same cycle (A/53/180);

(f) Note by the Secretary-General transmitting the programme of work of the Joint Inspection Unit for 1999 and the preliminary listing of potential reports for 2000 and beyond (A/53/841).

II. Consideration of a draft resolution A/C.5/54/L.5

4. At the 7th meeting, on 15 October 1999, the representative of Pakistan, Vice-Chairman of the Committee and coordinator of informal consultations on the agenda item, introduced a draft resolution entitled "Joint Inspection Unit" (A/C.5/54/L.5).

5. At the same meeting, the Committee adopted draft resolution A/C.5/54/L.5 without a vote (see para. 6).

III. Recommendation of the Fifth Committee

6. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

Joint Inspection Unit

The General Assembly,

Reaffirming its previous resolutions on the Joint Inspection Unit, hereafter referred to as the Unit, in particular resolution 50/233 of 7 June 1996,

Having considered the annual reports of the Unit for the periods 1 July 1995 to 30 June 1996[3] and 1 July 1996 to 30 June 1997,[4] its programme of work for 1996-1997[5] and for 1997-1998,[6] the note by the Secretary-General transmitting the note by the Unit regarding the cycle for its programme of work[7] and the report of the Secretary-General on the implementation of the recommendations of the Unit,[8]

Reaffirming the statute of the Unit, the only independent system-wide inspection, evaluation and investigation body,

Stressing again that the impact of the Unit on the cost-effectiveness of activities within the United Nations system is a shared responsibility of the Member States, the Unit and the secretariats of the participating organizations,

1. *Takes note with appreciation* of the annual reports of the Unit for the periods from 1 July 1995 to 30 June 1996[3] and 1 July 1996 to 30 June 1997,[4] of its programme of

[3] *Official Records of the General Assembly, Fifty-first Session, Supplement No. 34* (A/51/34).
[4] Ibid., *Fifty-second Session, Supplement No. 34* (A/52/34).
[5] See A/51/559 and Corr.1.
[6] See A/52/267.
[7] A/53/180.
[8] A/52/206.

work for 1996-1997,[5] for 1997-1998,[6] and for 1999,[9] of the note by the Secretary-General transmitting the note of the Unit regarding the cycle for its programme of work[7] and of the report of the Secretary-General on the implementation of the recommendations of the Unit;[8]

2. *Invites* the Unit, while preparing its annual programme of work, to give priority to the reports requested by the participating organizations;

3. *Recognizes* the improvements made in the functioning of the Unit, encourages the Unit to continue its efforts in this respect, and decides to revert to the issue of the functioning of the Unit at its fifty-sixth session;

4. *Endorses* the system of follow-up to the reports of the Unit, as contained in annex I to the annual report of the Unit for the period from 1 July 1996 to 30 June 1997,[2] and, in this connection, invites the Unit:

(a) To send reminders/notices for the implementation of recommendations to the executive heads;

(b) To include in its annual reports approved recommendations that have not been implemented;

5. *Requests* that the system be implemented expeditiously;

6. *Requests* the Unit to report on experience with the system, including action taken and comments made by participating organizations, to the General Assembly at its fifty-sixth session.

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[9] See A/53/841.

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Agenda item 119

Programme budget for the biennium 1998-1999

Report of the Fifth Committee

Rapporteur: Mr. Jan **Jaremczuk** (Poland)

I. Introduction

1. At its 3rd plenary meeting, on 17 September 1999, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-fourth session the item entitled "Programme budget for the biennium 1998-1999" and to allocate it to the Fifth Committee.

2. The Fifth Committee considered the item at its 7th, 12th and 13th meeting, on 15, 20 and 22 October 1999. Statements and observations made in the course of the Committee's consideration of the question are reflected in the relevant summary records (A/C.5/54/SR.7, 12 and 13).

3. For its consideration of the question, the Committee had before it the report of the Secretary-General on the Development Account: modalities for operating the Account (A/53/945) and the related thirteenth report of the Advisory Committee on Administrative and Budgetary Questions (A/53/7/Add.12).

II. Consideration of draft resolutions A/C.5/54/L.7 and A/C.5/54/L.11 and Rev.1

4. At its 7th meeting, on 15 October, the representative of Guyana (on behalf of the States Members of the United Nations that are members of the Group of 77 and China), introduced a draft resolution entitled "Development Account" (A/C.5/54/L.7) which read:

"*The General Assembly*,

"*Recalling* its resolutions 52/12 B of 19 December 1997 and 52/220 and 52/221 A of 22 December 1997,

99-31849 (E) 281099

"*Reaffirming* its resolutions 52/235 of 26 June 1998, 53/220 A of 7 April 1999 and 53/220 B of 8 June 1999,

"*Having considered* the report of the Secretary-General on the Development Account and the related report of the Advisory Committee on Administrative and Budgetary Questions,

"*Reaffirming* its resolution 41/213 of 19 December 1986,

"*Reaffirming also* the Financial Regulations and Rules of the United Nations and the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation,

"1. *Decides* to establish a special multi-year account for supplementary development activities based on the priority objectives of the programmes of the approved medium-term plan;

"2. *Also decides* that the cumulative savings achieved as a result of efficiency measures that are redeployed from other budget sections to the section relating to the Development Account with prior approval of the General Assembly shall form the maintenance base for this section in subsequent programme budgets;

"3. *Reaffirms* that the Development Account should be operated strictly in accordance with the Financial Regulations and Rules of the United Nations and the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation;

"4. *Emphasizes* that the efficiency measures should not lead to a process of budgetary reduction and should not result in the involuntary separation of staff;

"5. *Also emphasizes* that the efficiency measures should not adversely affect the full implementation of all mandated programmes and activities;

"6. *Decides* to keep the implementation of the Development Account under review and requests the Secretary-General to submit reports in accordance with the relevant regulations and rules."

5. At the 12th meeting, on 20 October, the representative of Uganda coordinator of informal consultations on this question, made a statement and, on behalf of the Chairman, introduced a draft resolution entitled "Development Account" (A/C.5/54/L.11) which read:

"*The General Assembly,*

"*Recalling* its resolutions 52/12 B of 19 December 1997 and 52/220 and 52/221 A of 22 December 1997,

"*Reaffirming* its resolutions 52/235 of 26 June 1998, 53/220 A of 7 April 1999 and 53/220 B of 8 June 1999,

"*Having considered* the report of the Secretary-General on the Development Account and the related report of the Advisory Committee on Administrative and Budgetary Questions,

"*Reaffirming* its resolution 41/213 of 19 December 1986,

"*Reaffirming also* the Financial Regulations and Rules of the United Nations and the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation,

"1. *Decides* to establish a special multi-year account for supplementary development activities based on the priority objectives of the programmes of the approved medium-term plan;

"2. *Emphasizes* that the efficiency measures and the transfer of savings therefrom should not lead to a process of budgetary reduction and should not result in the involuntary separation of staff;

"3. *Also emphasizes* that the efficiency measures and the redeployment of savings to the Development Account should not adversely affect the full implementation of all mandated programmes and activities;

"4. *Also decides* that savings to be achieved as a result of the efficiency measures could be identified in the context of budget performance reports and shall be transferred to the Development Account section with the prior approval of the General Assembly;

"5. *Further decides* that all savings transferred to the Development Account section shall form the maintenance base for that section in future proposed programme budgets;

"6. *Reaffirms* that the Development Account should be operated strictly in accordance with the Financial Regulations and Rules of the United Nations and the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation;

"7. *Requests* the Secretary-General to ensure that all budget proposals are fully commensurate with the related mandates in order to ensure their full and effective implementation;

"8. *Decides* to keep the implementation of the Development Account under review and requests the Secretary-General to submit reports in accordance with the relevant regulations and rules."

6. At the same meeting, the representative of Guyana (on behalf of the Group of 77 and China) made a statement (see A/C.5/54/SR.12).

7. Also at the same meeting, on the proposal of the Chairman, the Committee agreed to continue holding further informal consultations on this question.

8. At its 13th meeting, on 22 October, the representative of Uganda coordinator of informal consultations on this question, on behalf of the Chairman, made a statement and introduced a revised draft resolution entitled "Development Account" (A/C.5/54/L.11/Rev.1), which incorporated the following changes:

(a) In operative paragraph 4, the word "Also" was deleted;

(b) Operative paragraph 5 was reworded to read:

"*Also decides* that the savings transferred to the Development Account section in accordance with paragraph 4 above shall form the maintenance base for that section in future proposed programme budgets;"

9. At the same meeting, in light of the statement made by the representative of Uganda coordinator of informal consultations on this question, the representative of Guyana (on behalf of the States Members of the United Nations that are members of the Group of 77 and China), made a statement and withdrew draft resolution A/C.5/54/L.7.

10. Also at the same meeting, the Committee adopted revised draft resolution A/C.5/54/L.11/Rev.1 without a vote (see para. 12).

11. Following the adoption of the revised draft resolution, statements in explanation of position were made by the representatives of Finland (on behalf of States Members of the United Nations that are members of the European Union), Japan, Cuba, New Zealand (on behalf of Canada, Australia and New Zealand), Pakistan and the United States of America (see A/C.5/54/SR.13).

III. Recommendation of the Fifth Committee

12. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

The General Assembly,

Recalling its resolutions 52/12 B of 19 December 1997 and 52/220 and 52/221 A of 22 December 1997,

Reaffirming its resolutions 52/235 of 26 June 1998, 53/220 A of 7 April 1999 and 53/220 B of 8 June 1999,

Having considered the report of the Secretary-General on the Development Account[1] and the related report of the Advisory Committee on Administrative and Budgetary Questions,[2]

Reaffirming its resolution 41/213 of 19 December 1986,

Reaffirming also the Financial Regulations and Rules of the United Nations and the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation,

1. *Decides* to establish a special multi-year account for supplementary development activities based on the priority objectives of the programmes of the approved medium-term plan;

2. *Emphasizes* that the efficiency measures and the transfer of savings therefrom should not lead to a process of budgetary reduction and should not result in the involuntary separation of staff;

3. *Also emphasizes* that the efficiency measures and the redeployment of savings to the Development Account should not adversely affect the full implementation of all mandated programmes and activities;

4. *Decides* that savings to be achieved as a result of the efficiency measures could be identified in the context of budget performance reports and shall be transferred to the Development Account section with the prior approval of the General Assembly;

5. *Also decides* that the savings transferred to the Development Account section in accordance with paragraph 4 above shall form the maintenance base for that section in future proposed programme budgets;

6. *Reaffirms* that the Development Account should be operated strictly in accordance with the Financial Regulations and Rules of the United Nations and the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation;

[1] A/53/945.

[2] A/53/7/Add 12

7. *Requests* the Secretary-General to ensure that all budget proposals are fully commensurate with the related mandates in order to ensure their full and effective implementation;

8. *Decides* to keep the implementation of the Development Account under review, and requests the Secretary-General to submit reports in accordance with the relevant regulations and rules.

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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations: financing of the United Nations peacekeeping operations

Report of the Fifth Committee

Rapporteur: Mr. Jan **Jaremczuk** (Poland)

I. Introduction

1. At its 3rd plenary meeting, on 17 September 1999, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-fourth session the item entitled "Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations: financing of the United Nations peacekeeping operations" and to allocate it to the Fifth Committee.

2. The Fifth Committee considered the question of reform procedures for determining reimbursement to Member States for contingent-owned equipment under this item at its 7th meeting, on 15 October 1999. Statements and observations made in the course of the Committee's consideration of the question are reflected in the relevant summary record (A/C.5/54/SR.7).

3. For its consideration of the question, the Committee had before it the following documents:

(a) Letter dated 13 February 1998 from the Chairman of the Phase IV Working Group on Reimbursement of Contingent-owned Equipment to the Chairman of the Fifth Committee, transmitting the report of the Working Group (A/C.5/52/39);

(b) Report of the Secretary-General on the first full year of implementation of the reformed procedures for determining reimbursement to Member States for contingent-owned equipment (A/53/465);

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(c) Report of the Advisory Committee on Administrative and Budgetary Questions on the implementation of the reformed procedures for determining reimbursement to Member States for contingent-owned equipment (A/53/944 and Corr.1).

II. Consideration of draft resolution A/C.5/54/L.6

4. At the 7th meeting, on 15 October, the representative of the Netherlands, coordinator of informal consultations on the question, on behalf of the Chairman, introduced a draft resolution entitled "Reformed procedures for determining reimbursement to Member States for contingent-owned equipment" (A/C.5/54/L.6).

5. At the same meeting, the Committee adopted draft resolution A/C.5/54/L.6 without a vote (see para. 7).

6. After the adoption of the draft resolution, statements in explanation of position were made by the representatives of Pakistan and Norway (see A/C.5/54/SR.7).

III. Recommendation of the Fifth Committee

7. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

Reformed procedures for determining reimbursement to Member States for contingent-owned equipment

The General Assembly,

Recalling its resolution 45/248 B, part VI, of 21 December 1990 and rule 153 of the rules of procedure of the General Assembly,

Recalling also its resolution 49/233 A of 23 December 1994,

Reaffirming its resolutions 50/222 of 11 April 1996 and 51/218 E of 17 June 1997,

Having considered the report of the Phase IV Working Group on Reimbursement of Contingent-owned Equipment as transmitted by the Chairman of the Working Group to the Chairman of the Fifth Committee,[1] the report of the Secretary-General on the first full year of implementation of the reformed procedures for determining reimbursement to Member States for contingent-owned equipment[2] and the related report of the Advisory Committee on Administrative and Budgetary Questions,[3]

1. *Reaffirms* that the Fifth Committee is the appropriate Main Committee of the General Assembly entrusted with responsibilities for administrative and budgetary matters;

2. *Requests* the Secretary-General, while implementing the approved reformed procedures for determining reimbursement to Member States for contingent-owned equipment, to avoid any double payment;

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[1] A/C.5/52/39.

[2] A/53/465.

[3] A/53/944 and Corr.1.

3. *Approves* a general policy whereby the United Nations should only assume financial responsibilities in accordance with the decisions of the General Assembly;

4. *Emphasizes* that the intent of the new procedures on reimbursement of contingent-owned equipment is to ensure equitable reimbursement to the troop-contributing countries while ensuring the interests of Member States and the Organization;

5. *Endorses* the recommendations of the Phase IV Working Group on Reimbursement of Contingent-owned Equipment,[4] subject to the provisions of the present resolution;

6. *Also endorses* the recommendations of the Advisory Committee in its report,[3] with the exception of the following proposals, relating to:

(a) The levels of reimbursement for loss or damage to contingent-owned equipment in cases of hostile action or forced abandonment, as contained in paragraph 15;

(b) The review regarding United Nations responsibility for loss or damage during transportation, as contained in paragraph 16;

(c) Tentage and accommodation, as contained in paragraph 27;

(d) The use of independent outside expertise in the review and assessment of the generic fair market value of equipment, as contained in paragraph 31;

7. *Reaffirming* that, with regard to all new missions activated since 1 July 1996, only the reformed procedures for reimbursement to Member States for contingent-owned equipment are applicable;

8. *Requests* the Secretary-General to take all necessary measures to ensure the full participation of delegations in the work of the Phase V Working Group;

9. *Emphasizes* that the revision of the contingent-owned equipment manual should be a continuous process, and requests the Secretary-General to revise the manual only after the completion of the work of the Phase V Working Group, in order to incorporate recommendations made by the Phase II, III, IV and V working groups, as approved by the General Assembly;

10. *Requests* the Board of Auditors to continue to audit the implementation of the reformed procedures for determining reimbursement to Member States for contingent-owned equipment and to report thereon in the context of its annual report to the General Assembly.

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[4] See A/C.5/52/39.

United Nations A/54/510

General Assembly

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Fifty-fourth session
Agenda item 130 (a)

Financing of the activities arising from Security Council resolution 687 (1991): United Nations Iraq-Kuwait Observation Mission

Report of the Fifth Committee

Rapporteur: Mr. Jan **Jaremczuk** (Poland)

I. Introduction

1. At its 3rd plenary meeting, on 17 September 1999, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-fourth session the item entitled "Financing of the activities arising from Security Council resolution 687 (1991): United Nations Iraq-Kuwait Observation Mission" and to allocate it to the Fifth Committee.

2. The Fifth Committee considered the question of the recovery of the overpayment of mission subsistence allowance in the United Nations Iraq-Kuwait Observation Mission at its 3rd, 6th and 15th meetings, on 4, 5 and 26 October 1999. Statements and observations made in the course of the Committee's consideration of the question are reflected in the relevant summary records (A/C.5/54/SR.3, 6 and 15).

3. For its consideration of this question, the Committee had before it the report of the Secretary-General on the financing of the activities arising from Security Council resolution 687 (1991): United Nations Iraq-Kuwait Observation Mission (A/53/1023) and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/54/418).

II. Consideration of draft resolution A/C.5/54/L.12

4. At the 15th meeting, on 26 October, the representative of Poland, Rapporteur of the Committee and coordinator of the informal consultations on this question, introduced a draft

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resolution entitled "Financing of the activities arising from Security Council resolution 687 (1991): United Nations Iraq-Kuwait Observation Mission" (A/C.5/54/L.12).

5. At the same meeting, the Committee adopted draft resolution A/C.5/54/L.12 without a vote (see para. 7).

6. Following the adoption of the draft resolution, statements in explanation of position were made by the representatives of Kuwait and the Philippines (see A/C.5/54/SR.15).

III. Recommendation of the Fifth Committee

7. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

Financing of the activities arising from Security Council resolution 687 (1991): United Nations Iraq-Kuwait Observation Mission

The General Assembly,

Recalling its resolutions 52/238 of 26 June 1998 and 53/229 of 8 June 1999,

Having considered the report of the Secretary-General on the financing of the activities arising from Security Council resolution 687 (1991): United Nations Iraq-Kuwait Observation Mission[1] and the related report of the Advisory Committee on Administrative and Budgetary Questions,[2]

1. *Takes note with deep concern* of the administration's mishandling of this matter, as observed by the Advisory Committee on Administrative and Budgetary Questions in paragraph 4 of its report;[2]

2. *Requests* the Board of Auditors to undertake a comprehensive audit of the United Nations Iraq-Kuwait Observation Mission, in particular the question of payment of mission subsistence allowance, as a matter of priority;

3. *Requests* the Secretary-General to submit a comprehensive report on this question during a period not exceeding three months from the adoption of the present resolution, for consideration during its first resumed session;

4. *Decides* to continue its consideration of this question in the light of the reports of the Board of Auditors and the Secretary-General at its first resumed session and decides that, pending its decision, all actions on this question should remain in abeyance.

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[1] A/53/1023.

[2] A/54/418.

United Nations A/54/511

General Assembly

Distr.: General
27 October 1999

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Fifty-fourth session
Agenda item 118

Review of the efficiency of the administrative and financial functioning of the United Nations

Report of the Fifth Committee

Rapporteur: Mr. Jan **Jaremczuk** (Poland)

I. Introduction

1. At its 3rd plenary meeting, on 17 September 1999, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-fourth session the item entitled "Review of the efficiency of the administrative and financial functioning of the United Nations" and to allocate it to the Fifth Committee.

2. The Fifth Committee considered the question of procurement reform at its 3rd and 12th meetings, on 4 and 20 October 1999. Statements and observations made in the course of the Committee's consideration of the question are reflected in the relevant summary records (A/C.5/54/SR.3 and 12).

3. For its consideration of the question the Committee had before it the following documents:

(a) Report of the Secretary-General on procurement reform (A/C.5/52/46);

(b) Report of the Secretary-General on procurement reform (A/53/271 and Corr.1 and Add.1);

(c) Report of the Advisory Committee on Administrative and Budgetary Questions on procurement reform (A/53/692).

99-31867 (E) 281099

II. Consideration of draft resolution A/C.5/54/L.8

4. At the 12th meeting, on 20 October, the representative of Pakistan, Vice-Chairman of the Committee, and coordinator of informal consultations introduced a draft resolution entitled "Procurement reform" (A/C.5/54/L.8).

5. At the same meeting, statements were made by the representatives of Finland (on behalf of States Members of the United Nations that are members of the European Union), Guyana (on behalf of the States Members of the United Nations that are members of the Group of 77 and China), Algeria, Canada, the United States of America, Uganda, China, Mexico, Côte d'Ivoire, Cuba, Norway and Egypt (see A/C.5/54/SR.12).

6. Also at the same meeting, following a suspension of the meeting, on the proposal of the Chairman, the Committee decided to amend the heading of section VIII of draft resolution A/C.5/54/L.8 by inserting the words "The question of" before the words "Preferential treatment".

7. At the same meeting, the Committee adopted draft resolution A/C.5/54/L.8 as orally amended, without a vote (see para. 9).

8. Following the adoption of the draft resolution, statements in explanation of position were made by the representatives of Mexico (on behalf of States Members of the United Nations that are members of the Rio Group), Finland (on behalf of States Members of the United Nations that are members of the European Union), the Philippines (on behalf of States Members of the United Nations that are members of the Association of Southeast Asian Nations), Cuba, Thailand, Algeria, Canada and the United States of America (see A/C.5/54/SR.12).

III. Recommendation of the Fifth Committee

9. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

Procurement reform

The General Assembly,

Recalling its resolutions 52/212 B of 31 March 1998, 52/214 B of 22 December 1997, 52/220 of 22 December 1997 , 52/252 of 8 September 1998, 53/204 of 18 December 1998 and 53/208 B of 18 December 1998,

Reaffirming its resolutions 49/216 C of 23 December 1994, 51/231 of 13 June 1997 and 52/226 A of 31 March 1998,

Having considered the reports of the Secretary-General on procurement reform[1] and the related report of the Advisory Committee on Administrative and Budgetary Questions,[2]

Recognizing that the procurement procedures should be more transparent, effective and efficient and should fully reflect the international character of the Organization,

[1] A/C.5/52/46 and A/53/271 and Corr.1 and Add.1.

[2] A/53/692.

Noting the initial efforts to increase procurement opportunities for vendors from developing countries and countries with economies in transition, and stressing the need for further improvement in this respect,

I
General comment

1. *Recognizes* the recent improvements made by the Secretary-General in procurement reform;

2. *Notes with concern* that some of the provisions of its resolution 52/226 A have not been fully and adequately implemented, and requests the Secretary-General to complete the implementation of all outstanding matters;

3. *Stresses* the need for the procurement system to be transparent, open, impartial and cost-effective, based on competitive bidding and fully reflecting the international character of the Organization;

II
Procurement manual

4. *Welcomes* the publication of the Procurement Manual, and requests the Secretary-General to update it, as appropriate, taking into account the recommendations of the Board of Auditors in paragraphs 99 to 104 of its report[3] and including a step-by-step discussion of procedures required for field personnel to perform their duties;

III
General procurement process

5. *Requests* the Secretary-General to take the necessary measures to ensure that the bids received through electronic means are not compromised and to report on this in his next report on procurement reform;

6. *Endorses* the observations of the Advisory Committee on Administrative and Budgetary Questions regarding the need to take steps to ensure that specifications are not deliberately tailored to predetermine the choice of supplier and that the principle of separation of responsibilities of the requisitioning and approving officers is maintained;

7. *Requests* the Secretary-General to continue his efforts to ensure wider participation of suppliers from all Member States, taking into account the principles enshrined in the Charter of the United Nations;

8. *Also requests* the Secretary-General to improve further the competitive bidding process in order to ensure that vendors are granted reasonable time for submission of bids;

9. *Welcomes* the Secretary-General's increased use of modern electronic means of communication to disseminate information regarding requests for proposals, invitations to bid and requests for expression of interest, and requests him to continue to utilize traditional means of communication for such information upon request;

10. *Requests* the Secretary-General to consider ways to increase the transparency of procurement decisions, including the possibility of reviving the practice of reading of prices and other decisive elements at public bid openings for requests for proposals, and to report thereon in his next report on procurement reform;

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[3] *Official Records of the General Assembly, Fifty-third Session, Supplement No. 5* (A/53/5), vol. I.

11. *Also requests* the Secretary-General to enhance and expedite the procurement process and to improve communication with suppliers;

IV
United Nations roster and common supplier database

12. *Notes* the efforts of the United Nations system to establish a common supplier database whereby participating organizations will be able to share information on suppliers, including evaluations of performance;

13. *Regrets* that the supplier roster is still not representative of the membership of the Organization, and reiterates its request to the Secretary-General to intensify further and to focus his efforts to broaden the geographical base of the roster;

14. *Requests* the Secretary-General to improve further the registration process for the supplier roster;

15. *Also requests* the Secretary-General to send tender invitations to all vendors, to the fullest extent possible, registered with specific categories and services on the supplier roster;

16. *Further requests* the Secretary-General to explore the possibility of using the harmonized system of classification of goods for United Nations procurement and to report thereon in his next report on procurement reform;

V
Procurement planning

17. *Encourages* the Secretary-General to continue to improve annual procurement planning for all offices and departments and to make such plans publicly available, including to all permanent missions to the United Nations;

VI
Exigency

18. *Notes with concern* the observations of the Advisory Committee on Administrative and Budgetary Questions[4] that the definition of exigency as outlined in the report of the Secretary-General[5] appears too broad to be of any real value in exercising the required control over the use of exigency, and urges the Secretary-General to submit a sharper and clearer definition of exigency needs to the General Assembly at its fifty-fourth session through the Advisory Committee;

VII
Increasing procurement from developing countries

19. *Notes with appreciation* the acknowledgement by the Secretary-General of the need to increase procurement opportunities for vendors from developing countries and countries with economies in transition and the steps taken in this regard, and requests him to enhance those efforts;

20. *Requests* the Secretary-General to submit in his next report on procurement reform detailed information on the award of contracts for procurement, at Headquarters and

[4] A/53/692, para. 10.

[5] A/C.5/52/46, para. 5.

in the field, to developing countries, in particular least developed and African countries and countries with economies in transition;

21. *Regrets* the initial delay in implementing the provisions of paragraph 13 of its resolution 52/226 B, and reiterates its request to the Secretary-General to take all possible measures to increase procurement from developing countries and countries with economies in transition, including the following:

(a) All tender invitations should be posted on the Procurement Division Web site as soon as they are prepared;

(b) All tender invitations should be sent to all permanent missions to the United Nations, as well as to all United Nations information centres and other United Nations offices away from Headquarters for wider dissemination among Member States;

(c) Procurement Division officials may undertake visits to developing countries and countries with economies in transition with a view to identifying potential vendors from those countries;

22. *Notes with concern* the observations of the Advisory Committee on Administrative and Budgetary Questions in paragraph 9 of its report[6] that out of the eleven countries visited by the procurement officials pursuant to paragraph 13 (c) of its resolution 52/226 A, only four were from the developing world and none were countries with economies in transition;

23. *Requests* the Secretary-General to make all efforts possible to facilitate identification of vendors in developing countries and countries with economies in transition, including through the expeditious dissemination of information relating to procurement to those countries and the organization of seminars at the country and regional levels between the business community and United Nations offices in those countries;

24. *Also requests* the Secretary-General to direct field offices to encourage interested local vendors to apply for registration on the Procurement Division vendor roster with a view to broadening its geographical base;

25. *Encourages* the use of procurement within the region for the requirements of missions, taking into account efficiency and cost-effectiveness;

VIII
The question of preferential treatment

26. *Reaffirms its request* to the Secretary-General to examine ways to increase opportunities for developing countries in the award of procurement contracts, in particular for least developed countries, African countries and countries with economies in transition, taking into account the experience of preferential treatment in this regard in the funds and programmes of United Nations organizations and other intergovernmental institutions, and to report thereon to the General Assembly in his next report on procurement reform;

27. *Requests* the Secretary-General to continue to explore ways to increase procurement of goods and services from developing countries, in particular from least developed and African countries, and to report thereon to the General Assembly at its fifty-fifth session;

28. *Also requests* the Secretary-General to submit a report on paying due attention to offers for procurement submitted by vendors from developing countries and countries

[6] A/53/692.

with economies in transition, without prejudice to the Financial Regulations and Rules of the United Nations and taking into account the provisions of the present resolution;

IX
Regulations and Rules

29. *Reiterates the request* contained in paragraph 4 of its resolution 52/226 A;

30. *Regrets* that the request contained in paragraph 28 of its resolution 52/226 A for submission of proposals on possible amendments to Financial Regulations and Rules of the United Nations and in order to address issues of potential conflict of interest has not been fulfilled, and requests the Secretary-General to submit the proposals as a matter of priority, but not later than the end of its fifty-fourth session;

31. *Looks forward* to the submission of the report requested in paragraph 10 of its resolution 52/252, as a matter of priority, but not later than the end of its fifty-fourth session;

32. *Requests* the Secretary-General to make proposals for improving the system of payment to suppliers, including possible mechanisms similar to letters of credit;

X
Performance measurement

33. *Requests* the Secretary-General to develop a comprehensive system to measure efficiency and cost-effectiveness of the procurement function, by taking into account the best practices of other organizations of the United Nations system in his next report on procurement reform;

XI
Reports of the Board of Auditors

34. *Requests* the Secretary-General to implement fully the provisions of paragraphs 3 and 4 of its resolution 52/212 B regarding the implementation of the recommendations of the Board of Auditors;

35. *Reiterates* the request contained in paragraph 6 of its resolution 53/204 addressed to the Secretary-General and the executive heads of the United Nations funds and programmes to ensure timely implementation of the recommendations of the Board of Auditors in its resolution 53/204;

XII
Format for reports

36. *Requests* the Secretary-General to develop a standard format for future reports on procurement reform;

37. *Emphasizes* that the reports of the Secretary-General and the Advisory Committee on Administrative and Budgetary Questions on procurement reform should be submitted in accordance with paragraphs 24 and 25 of its resolution 52/214 B and paragraphs 10 to 12 of its resolution 53/208 B;

XIII
Method of determining the basis of statistical reports

38. *Endorses* the observations of the Advisory Committee on Administrative and Budgetary Questions in paragraph 8 of its report,[2] and requests the Secretary-General to indicate on what basis country of procurement is determined and how this methodology compares with recognized international practice.